



April 25, 2008

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California Department of Housing and Community Development
Division of Housing Policy Development
Cathy E. Creswell, Deputy Director
1800 Third Street, Room 430
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HOUSING POLICY
DEVELOPMENT, HCD

APR 28 2008

City Council

Mayor
Penny Lilburn

Mayor Pro-Tem
Ross B. Jones

Larry McCallon
Jody Scott
John P. Timmer

City Manager
Joseph A. Hughes

Subject: 2005/2006 final Annual Review of the City of Highland Housing Element (Planning Period: January 1, 1998 - July 1, 2005)

Dear Mrs. Creswell:

In accordance with Government Code Section 65588(a), please find attached a copy of the City's General Plan Housing Element Annual Review - 2005/2006 for HCD consideration.

The subject Housing Annual Review is scheduled to be presented to the City of Highland Planning Commission at its hearing on May 6, 2008, and subsequently to the City of Highland City Council on May 13, 2008. It is anticipated, as with previous years, the Planning Commission and City Council will find the Housing Element Annual Review to be informative and pleased with the progress in achieving the Housing Element Goals and Objectives.

In summary, the City of Highland is satisfactorily implementing its Housing Element, dated October 25, 2001 for the planning period of January 1, 1998 - July 1, 2005. As you are aware the City's current Housing Element was certified by HCD on February 1, 2002, and its 2008 Housing Element Update is anticipated to be submitted to HCD by June, 2008.

At the time the existing Housing Element was certified by HCD, there was approximately 1,763 single family units anticipated to be built within the five (5) year planning period (average of 353 units per year). Those included tracts under construction, final tract maps and tentative tract maps. Of those anticipated to be constructed, approximately 1,536 new units could be constructed within the Redevelopment Project Area. The Regional Housing Needs Assessment (RHNA) figure assigned to the City for the planning period was 2,202 new units. That figure is further allocated as follows: 534 very low, 368 low, 471 moderate, and 829 upper income type units.

From 1999-2005 the City finalized approximately 1,959 building permits for new housing units of which most could be classified as moderate to upper income units.

The City pledged to restrict or subsidize five percent (5%) of new construction to provide affordable housing for very low income residents and ten percent (10%) for low income residents. To this end, as reported in its 2004/05 Annual Report, the City required an eighty-seven (87) lot single-family Tract (TM16404) to offer fifteen percent (15%) of its units to low and moderate income families, which resulted in fourteen (14) affordable units (45 - year affordability covenants). However, most of the other permitted units opted to pay an in-lieu fee per unit as established by the City's new Inclusionary Housing provisions (Ordinance No. 306). Funds generated from Ordinance No. 306 will be used to purchase long term covenants for existing units and/or for the construction of new affordable units within the City's Redevelopment Project Area. Other notable accomplishments during the last planning period included: completion of 184 affordable units located in the Jeffrey Court Senior Apartments (construction completed in 1998); rehabilitation of more than 300 single family homes in the area affected by the Norton Air Force Base closure; approval of a density bonus allowing the construction of an affordable 10-unit senior apartment complex (although not built); and construction of 3 habitat humanity units for low & mod income families (30-year affordability covenants).

Additionally, the City is committed to assisting housing rehabilitation to preserve affordable units currently in the City. As part of its current Housing Element, the City of Highland reviewed its housing objectives and put much of its attention on existing housing affordability problems, as well as the rehabilitation and conservation of affordable units.

In terms of funding sources, the City's Redevelopment Agency's low and moderate set aside funds are utilized. In addition, the City continually monitors potential State and Federal grant funding sources to augment its Redevelopment funds. When available, the City makes every effort to apply for those additional State and Federal housing program grants. In 2004, the Redevelopment Agency applied for two (2) competitive California Housing Finance Agency (CHFA) grants totaling \$4 million, but was not awarded. The first grant proposal would have been used to assist in the rehabilitation of 344 multi-family units. The second grant proposal would have expanded the City's existing single-family rehabilitation grant program. Many housing related projects have been funded by the City's Redevelopment Agency over the past few years; rehabilitation of 121 single family homes, stimulating the development of a 13-lot single family tract and continuation of the Down Payment Assistance Program. Future projects include the continuation of these efforts as well as researching innovative ways to encourage affordable single-family detached and in-fill developments.

The following Table summarizes the City of Highland's progress during the subject Housing Element Planning Period (January 1, 1998 - July 1, 2005).

HOUSING OBJECTIVE 1998-2005 (Progress Report)					
Income Category					
Housing Goals:	Very Low	Low	Moderate	Upper	Total
RHNA Totals (New)	534	368	471	829	2,202
New Housing Construction	184	14	500	1,261	1,959
Rehabilitation	0	300	0	0	300
Conservation	0	0	0	0	0
Achievement	184	314	500	1,261	2,259
Difference between City and RHNA	-350	-354	+29	+439	-243
Source: City of Highland, Community Development Department, 2007					

The attached Table is the City's 1998 Housing Element Implementation Plan Progress Report (Actions). In addition to the progress of implementation, the Report indicates which Actions will be deleted in the 2008 Housing Element Update, as well as new proposed Actions.

2008 Housing Element Update (Planning Period: July 1, 2005 - July 1, 2014)
Initially, jurisdictions within the Southern California Association of Government Region (SCAG) were required to submit updated Housing Element no later than June 30, 2006. However, on June 6, 2005, at the request of SCAG, HCD approved the combined coordination of the Regional Housing Need Allocation (RHNA) process with the forecasting process for the 2007 Regional Transportation Plan (2007 RTP). As you are aware, this new process required SCAG to adopt the new RHNA no later than July 1, 2007 (Government Code 65584.05(h)). And the new deadline for local jurisdictions to submit their new Housing Elements to HCD is now July 1, 2008.

The City of Highland anticipates submitting its 2008 Housing Element Update to HCD in the next few weeks.

2006 General Plan Update

In October 2003, the City of Highland commenced its first comprehensive General Plan Update since it was originally adopted in 1993. In March, 2006, the City adopted its new General Plan Vision, which included major changes to its Land Use policies (City Council Resolution No. 2006-015). The most notable change was a significant reduction in the amount of commercial land use designations which was replaced with a new medium density housing designation (Base Line Corridor Policy Area), permitting up to 206 new housing units. Commercial uses were consolidated at key areas or major nodes in the City to promote viable retail opportunities. In addition, the Golden Triangle Policy Area and Town Center Policy Area was created to promote mixed use development, permitting up to 920 new units not previously envisioned in the previous General Plan or Housing Element. Other unique features of the City's new 2006 General Plan is the addition of three new Elements; an Airport Element, an Economic Development Element, and a Community Design Element.

Should you have questions, please contact me at (909) 864-8732, Ext. 215.

Sincerely,



Lawrence A. Mainez
City Planner

Attachments: 1. Table, "City of Highland's General Plan Housing Element for Planning Period 1998 - 2005, Implementation Plan Progress Report"

cc: State of California Office of Planning and Research
John Jaquess, City of Highland Community Development Director
Kim Stater, City of Highland Economic Development Specialist

Attachment - 1

**Table,
“City of Highland’s General Plan Housing
Element for Planning Period 1998 - 2005,
Implementation Plan Progress Report”**

Action	1998 Program Goals and Objectives	Progress 1998-2005
Goal 1 <i>A supply of housing suitable to meet the diverse needs of present and future residents to support a healthy economic development in the City.</i>		
Objective 1.1 Development of an adequate supply of housing to meet the existing and future housing in Highland.		
1.1.1	Review the Housing Element, concurrent with the budget process to: identify any significant changes, such as market conditions and population changes that may affect the provision of affordable housing in the City; update existing data; and examine effectiveness and progress of the housing programs. This review will be submitted to HCD.	<p>The City's Annual Budget for 2003-2005, 2005-2007, and 2007-2009 was adopted by the City Council on June 24, 2003, June 28, 2005, and June 12, 2007 respectively. Housing and Neighborhood Revitalization Programs were considered during the budgeting process.</p> <p>In compliance with State Law, the City's RDA/Housing and Finance Staff submits an Annual Report summarizing activities completed to HCD. Ongoing RDA compliance is monitored by the State.</p> <p>A Marketability Study, prepared by an economic consultant John Husing, provided the City with updated changes on market conditions, area population, economic trends and other relevant data. It was completed October 28, 2003 and also used for the City's 2006 General Plan Update.</p>
1.1.2	<p>Conduct an annual city-wide survey to assess and document results in a brochure to distribute to local social service agencies on the following housing characteristics:</p> <ul style="list-style-type: none"> • Availability of rental housing. • New housing available to families with children. • Mobile home rental space availability. 	In November 2003, the City created a new web site, which was recently updated to include information describing these services. This web site continues to be a source of information for the community and is regularly updated with new information.
1.1.3	As part of the Housing Element, an inventory of sites suitable for future residential development was compiled. While the City cannot anticipate at this	In December 2000, the Agency purchased 2 acres of land on the east side of Central

Action	1998 Program Goals and Objectives	Progress 1998-2005
	<p>time where developer interest for housing may occur, the City will encourage the development of these housing sites at both affordable and market rates in the following manner, as funds become available:</p> <ul style="list-style-type: none"> • Write-downs of land costs. • Subsidized off-site improvements. • Subsidy of City development fees. • Flexibility in the development standards, e.g. setback and height requirements, parking, etc. • New senior housing. 	<p>Ave., 900 feet south of Base Line, zoned Planned Development (PD). The Agency's intention was to expand an existing 3 acre senior apartment complex (Jeffrey Court) located on the north side of the property. The City has attempted to assemble a key property between this parcel and Jeffrey Court, but have been unsuccessful.</p> <p>In 2004, the Agency entered into a DDA with Gardner Development to hold 14 SF units at an affordable price and sell them only to qualified low and moderate income families. The Agency subsidized down payments.</p> <p>In 2005, a density bonus was approved for a 10-unit senior housing complex on Base Line. An Affordable Housing Agreement was adopted by City Council.</p> <p>In 2006, the development opted to sell the property and not develop the project.</p>
1.1.4	<p>In order to provide additional housing, the City will encourage the development of second units on deep residential lots found in the older section of the City (approximately 35 such lots). Attached or detached in accordance with HMC Section 16.44.180 Second Units Ordinance.</p>	<p>On July 8, 2003, pursuant to AB1866, the City adopted a zoning ordinance amending the Development Code regulations pertaining to second units. Additionally, the scope of existing regulations was broadened to allow second dwelling units city-wide rather than just to the areas west of 30 Freeway.</p>
1.1.5	<p>Where feasible, encourage large scale commercial/office developments to provide a residential component as part of an overall mixed</p>	<p>The City is currently working with developer at Base Line and the 30 Freeway to</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
	use concept.	construct approximately 70 units as parts of a mixed use development, and Mission Development in the Golden Triangle Policy Area along Greenspot Road as part of a Specific Plan, which includes up to 800 dwelling units and 800,000 square feet of retail space.
1.1.6	Continue to offer the City's brochure in the front lobby and online summarizing zoning and development requirements, developments fees, and permit procedures.	<p>This is done on an on-going basis as people come to the public information counter or request information over the phone.</p> <p>The Building and Safety Division has created the "Home Construction Pamphlet," which provides step by step instruction and information on City Codes and Ordinances, Permits, Applications, the Plan Checking and Building Permits.</p> <p>In 2004, color coded Zoning Development Standards Brochures were designed and place in the City Hall lobby for public access. The colors of the brochures march the respective Zoning Map colors. Early in 2006, the City posted its Zoning Map and Municipal Code on its web page for public access.</p>
1.1.7	Continue to provide timely review of discretionary and non-discretionary residential development requests, with fees only to cover the actual costs, direct and overhead, incurred by the City.	<p>The City's "Come Home to Highland" Program, adopted by the City Council in January 1998, which continues to be implemented and is guided by the following action plan:</p> <ol style="list-style-type: none"> 1. fees to process development entitlements

Action	1998 Program Goals and Objectives	Progress 1998-2005
		<p>for a housing project is a deposit and an accounting of Staff's time is provided to the applicant within 30 days of the project's conclusion.</p> <ol style="list-style-type: none"> 2. Fixed fees for plan checking and inspection services, excluding review of special studies and legal descriptions, shall be established for projects requiring permits, street work and site work after entitlements have been approved and appropriate permits have been issued. 3. Once the application package for an entitlement to development is complete, the community Development and Public Works Departments will ensure that the application is brought before the appropriate public body within 90 calendar days of submittal, exclusive of environmental document preparation of public challenge. 4. Plan checking of projects by the Community Development and Public Works Departments shall be limited to 30 working days (i.e. City time). <p>Annual updates on the "Come Home to Highland" Program are presented to the City Council and Chamber of Commerce.</p>
1.1.8	Allow mobile homes on private lots consistent with the requirements of State Law SB2827.	Pursuant to the HMC Section 16.16.020 mobile home on private lots are permitted within the single Family Zoning district (R1) and the

Action	1998 Program Goals and Objectives	Progress 1998-2005
		<p>Two Family Zoning District (R2).</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.9	Continue to participate with Inland Fair-Housing Mediation Board to assist in resolving tenant/landlord disputes.	The City meets with IFHMB regularly and frequently offers their services to the public.
1.1.10	Continue attempts to form a property owners association for rental units in west Highland to upgrade the property and area housing units, and facilitate discussions between land owners and tenants.	<p>In 2000, the City initiated the Residential Rental Enhancement Program. The purpose of the program provides for an annual inspection of the exterior of all rental properties in the City. The program also provides an opportunity for the City Staff to assist residential property owners with property improvements through redevelopment assistance.</p> <p>Redevelopment assistance program brochures are also posted in the City Hall lobby and available on the City's web page.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.11	Encourage the use of innovative site development and allow the use of construction materials and techniques that reduce the cost of site preparation and construction.	On going: In terms of zoning regulations, the City has a Planned Development (PD) zoning provision as part of the Land Use and Development Code which may be applied to any zone in the City. The purpose of the PD zoning designation is to allow flexibility in design and development standards to facilitate a more efficient use

Action	1998 Program Goals and Objectives	Progress 1998-2005
		<p>of the land and an excellence of design superior to that which could be achieved through the application of conventional development standards.</p> <p>In terms of reducing cost of construction, Highland is one of the few cities in the County to combine fire sprinklers and domestic water piping as a multi-pipe system, which reduces the need for elaborate fire suppression system.</p>
1.1.12	Increase Staffing the Redevelopment Department to increase production and efficiency of the City's housing program.	The City has a permanent Economic Development Specialist on staff within the Community Development Department and two Housing Technicians that assist with the housing programs.
1.1.13	Provide consultation to aide private developers in expanding housing opportunities by encouraging pre-application conferences to inform them of City requirements, ordinances, fees, and programs to produce affordable housing.	The City provides pre-application conferences and review to private developers free of charge. In accordance with Land Use and Development Code Section 16.08.020, all new development application are required to be evaluated during pre-application conference (held every Thursday) by a Development Review Committee before the City will receive for processing. This pre-consultant have saved developers an enormous amount of rime after a development application is submitted, because issues are addressed prior to the application submittal ("time is money.")
1.1.14	Conduct an inventory of City-owned properties and	Implementation status:

Action	1998 Program Goals and Objectives	Progress 1998-2005
	<p>examine their potential development/redevelopment for residential use. The objective is to use City ownership as a potential inducement for development of more affordable housing.</p>	<ol style="list-style-type: none"> <li data-bbox="1015 260 1393 926">1. South side of Hibiscus Street, east of Central Avenue (Highland Community Park), 4 acres, Zoned Planned Development, purchased on November 1998. A tentative tract map for thirteen (13) single family residential detached lots is currently being processed and may be approved late in 2008. The City's Redevelopment Agency is exploring all its options in terms of its obligations for addressing affordable housing as part of the future development of this property. <li data-bbox="1015 961 1393 1591">2. In December 2000, the Agency purchased 2 acres of land on the east side of Central Avenue, 900 feet south of Base Line, Zoned Planned Development (PD). This site may be used to expand an existing 3 acre senior apartment complex (Jeffery Court) located on the north side of the property. The City has attempted to contact developers to expand the project for a total of five acres. If successful a project could create an additional 200+ affordable type housing units. <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
1.1.15	Assess privately owned parcels that are vacant to in-fill development, according to lot size, infrastructure availability, and surrounding land uses.	<p>On August 19, 2006, Planning Staff prepared a report to the Planning Commission that examined alternative sites for affordable housing to compensate for the loss of approximately 18 acres with the approval of market rate housing development on the Base Line Theater site. The Base Line Theater site was previously identified in this General Plan Housing Element as a potential site for affordable housing.</p> <p>The following sites were identified and subject to preliminary review with respect to the yield of 23.3 % very low and 16.5% low income housing:</p> <ul style="list-style-type: none"> • West side of Central Ave/south of Base Line: 32 very-low units and 47 low units. • East side of Central Ave/south of Base Line: 29 very-low units and 44 low units. • East side of Tippecanoe/south of 9th St.: 34 very-low units and 51 low units. • North side of Base Line/east of Victoria Ave.: 20 very-low units and 29 low units. • North of Pacific/east of Victoria Ave.: 104 very-low units and 155 low units. <p>To date, no activity has</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
		occurred except for 2 units near Pacific and Victoria Ave. This Action, will be combined with Action 1.1.3
1.1.16	Encourage the use of factory-built housing and factory-built components in new housing, as approved by the State Department of Housing and Community Development Division of Codes and Standards, by providing information regarding the cost/benefit and feasibility of factory-built housing.	The City's Development Code permits factory built housing. However, no information about cost/benefit and feasibility of factory-built housing provided to date.
1.1.17	Initiate an outreach campaign to solicit participation of private developers of affordable and senior housing projects; maintain a roster of interested firms.	The City keeps an active list of affordable and senior housing advocates and developers in California. In the past the City has worked with the Southern California Housing Development Corporation, Laguna Landmark, Gardner Development and Construction, and North American Residential Communities on such projects.
1.1.18	Coordinate with San Bernardino County to review efforts to provide very low, low, and moderate income housing opportunities in the City.	The County provides more than 10 housing rehabilitation, rental, and purchase programs available through the County Department of Economic and Community Development to monitor progress of existing programs and development of new programs, as well as address unmet needs. Information regarding County programs is available on the City's web site and in brochures at City Hall.
1.1.19	In order to ensure quality, well-planned residential growth while meeting the City's regional housing responsibilities, review and analyze proposed residential projects, general plan amendments, and changes of zone for the short- and long-term effects on regional housing needs. The review shall consider the balance between the proposed development and available infrastructure, the current	This is done on an ongoing basis as part of the Planning staff's development review process. Prior to the approval of any development that is subject to a public hearing, Planning Commission or City Council, findings of

Action	1998 Program Goals and Objectives	Progress 1998-2005
	mix of housing available in the City, environmental resources and hazards, and aesthetic considerations.	<p>consistency with the General Plan must be adopted.</p> <p>Further, the City recently completed its first comprehensive General Plan Update in March 2006. The process commenced in October 2003, and as a result of extensive research and public participation, new areas for housing opportunities were created. These findings will be evaluated in the next Housing Element Update due to HCD in 2008.</p>
1.1.20	Continue no-interest rate loans for housing conservation and rehabilitation to low and moderate income owner-occupants.	<p>The City currently offers a \$25,000 no-interest forgivable rehabilitation loan in a designated target area, and the County of San Bernardino offers a low-interest loan available City-wide at a straight 3%. The City attempted to create a low-interest loan program city wide in 2005 that would provide a maximum loan of \$10,000 per home. However, prevailing wage mandates made the program financially undesirable. The City's consultant, Staff and Council continue to explore other options.</p>
1.1.21	Investigate whether there are any underserved income groups in the community for new and rehabilitation loans, through the Home Mortgage Disclosure Act (HMDA).	<p>City staff has developed a Marketing Plan for County Housing Assistance Programs. To respond to the need to more effectively communicate to citizens that programs are available for senior home repair loans and grants. Staff prepared an article for the City's Newsletter to be delivered to all properties in Highland in early April, 2003. The article listed the various programs of the County and phone numbers. Some of the information was included in the</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
		<p>city wide newsletter which was mailed to all City residents in 2003, 2004, 2005, 2006, and 2007.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.22	Evaluate land development processing procedures to ensure that project review is accomplished in coordination with General Plan policies and procedures, and ensure protection of the public health, safety, and welfare.	This is an inherent part of the development review process within the City. All new construction must comply with the standards contained within the Development Code, which were adopted to implement and be consistent with the City's General Plan. Further, as part of the Planning Staff's development review process and prior to the approval of any development action, findings of consistency with the General Plan are required, as well as a findings that the project will not have an adverse affect on public health, safety and welfare.
1.1.23	Evaluate development impact fees annually to ensure that such fees are the minimum necessary to cover actual costs, implement the General Plan, and to ensure protection of the public health, safety, and welfare.	In April 2003 and 2007 an outside consultant, Revenue and Cost Specialists, performed a study of all City fees and determined a fair, fully burdened hourly rate for each staff person, their duties and subsequent fees charged. Development Impact Fees, which were originally adopted in 1998, and more recently updated by City Council in October 2006. New development impact fees take effect on December 23, 2006. To ease the burden on projects currently in the development review process, new development impact fees will be phased in gradually over a

Action	1998 Program Goals and Objectives	Progress 1998-2005
		12 month period. Revision of development impact fees will now be evaluated annually per City Council Policy.
1.1.24	Increase the efficiency of the customer service program.	<p>See the description of the City's "Come Home to Highland" Program, in 1.1.7 adopted by the City Council in January of 1998, which continues to be implemented.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.25	Within RDA Project area require 5 percent of new residential housing units be set aside for very-low income and 10 percent be set aside for low income residents.	This goal has been implemented for Tract 16404 (Gardner Development - old Base Line Drive-In site) constructed within the Redevelopment Project Area. Other new tracts within the Project Area have paid an in-lieu fee collected by the City/Agency to provide affordable units in the future.
1.1.26	Provide first time home buyer loans through the Riverside-San Bernardino Housing & Finance Agency Joint Power Authority (JPA).	<p>This goal was achieved. The Program was active from 2001 through 2006. All JPA funds have been expended or encumbered.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.27	Apply to become a subordinate locality with the California Housing Finance Agency (CalHFA), which would allow the layering of first and second mortgages with below market interest rates.	No activity
1.1.28	Promote all County of San Bernardino's Homeownership and Rehabilitation Programs	The City currently promotes this Program as it does other County programs through our city wide newsletters,

Action	1998 Program Goals and Objectives	Progress 1998-2005
		brochures and web-page.
1.1.29	Promote the County of San Bernardino's Teacher First Time Homebuyer Program that provides 7.25% mortgage rates and \$7,500 down payment assistance to credentialed teachers who work at low-performing schools.	<p>The Teacher's Homebuyer Programs through the County has been canceled.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.30	Rezone 21 acres of BP zoning to R2 zoning (Victoria & Sixth Street); rezone 19 acres of PC zoning to R3 zoning (Sterling & Ninth Street); and rezone 18 acres of PC/R1 zoning to R3 zoning (Base Line Theater site).	<p>A General Plan Amendment changed the Land Use Designation for the Base Line Theater site from Planned Commercial (PC) to "Low Density Residential". In addition to the GP Amendment a tract map was approved for a residential development consisting of 87-single family detached lots with a minimum size of 5,000 square feet. As partial compensation for this loss, a condition of approval was attached to the map stating "Prior to the recordation of the Final Map, the Developer shall enter into an Affordability Program with the Redevelopment Agency Board to ensure a minimum of 15 percent of the units are affordable to very low, low and moderate income residents". Since 87 units were developed, 14 units were required to be set a side as affordable units.</p> <p>To compensate for the loss of the Base Line Theater site for affordable housing, the Planning Commission considered other sites within the community as a replacement for the loss of this site. As stated previously, on</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
		<p>August 19, 2003 Planning Staff presented a report for discussion, which presented a preliminary analysis of several alternative sites for affordable housing. The Commission recommended that staff do more in depth analysis on each of these sites and bring it back to the Commission for further discussion.</p> <p>Also, as stated previously, the City commenced its first comprehensive General Plan Update, which resulted in the creation of new residential land use districts and policy areas. The City's new General Plan designated in 2003 (Adoption in 2006). The benefits of this new General Plan designation are reflected in the new Housing Element Update objective section.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
1.1.31 (New)	Establish an Inclusionary Housing Ordinance requiring all new housing construction in the City pay a fee towards the preservation and construction of affordable housing.	In July 2006, City Council adopted Ordinance No. 306, Inclusionary Housing Ordinance (HMC Chapter 16.50).
1.1.32 (New)	Update the City's Downpayment Assistance Program. Expand the maximum funding amount and adjust the terms to meet current market needs.	No activity
1.1.33 (New)	Increase the maximum grant amount under the City's Single Family Rehabilitation Program to account for increase in construction and labor costs.	Increased from \$5,000 to \$25,000 in 2007.
1.1.34 (New)	Complete the filling of a tentative tract map on the City's land at Lillian Lane and Hibiscus Street. Dispose of the property to a residential developer for infill housing.	No activity

Action	1998 Program Goals and Objectives	Progress 1998-2005
Goal 2 <i>Adequate housing opportunities for all economic segments of the community, regardless of age, race, ethnic background, national origin, religion, family size, marital status, physical conditions or any other arbitrary factors.</i>		
Objective 2.1 Facilitate the provision of housing for the elderly, handicapped, and homeless.		
2.1.1	Encourage development of housing (owner-occupied and rental) for the elderly and handicapped through the use of density bonuses, subsidies, tax exempt bonds, and expedited processing, combined with Federal and State housing subsidies.	<p>East side of Central Avenue, 900 feet south of Base Line, 2 acres Zoned Planned Development (PD) was purchased on December 2000. This site may be used to expand an existing 3 acre senior apartment complex (Jeffery Court) located on the north side of the property. If successful a project could create an additional 200+ senior type housing units.</p> <p>In 2005, a density bonus was approved for a 10 unit senior housing complex on Base Line. An Affordable Housing Agreement was adopted by City Council. In 2006, the development opted to sell the property, which remains undeveloped.</p>
2.1.2	Compile a list of emergency shelter grants for the homeless from HUD and other agencies to assist nonprofit and other parties interested in providing homeless shelters and services to the residents of Highland.	<p>No activity</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
2.1.3	Contact Shelter For The Homeless to discuss the feasibility of building or rehabilitating housing units for low and very low income residents.	No activity
2.1.4	Continue to coordinate with the San Bernardino County Housing Authority and nearby cities to maintain a continuous emergency shelter program.	This Action has been completed.
2.1.5	Construct an addition to Jeffrey Court Senior Apartments, approximately 93 units.	<p>See Action 2.1.1</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
		planning period.
2.1.6 (New)	Develop new program to aid in the rehabilitation of for-rent single family and multi-family units.	No activity
Objective 2.2 Prevent housing discrimination in Highland.		
2.2.1	Maintain a referral service for residents who require legal assistance on housing issues, such as lease review and discrimination claims.	As of July 2003, the City provided partial funding for Legal Aid of San Bernardino to assist residents with housing and other legal issues (FY 2004/2005). The City has established a relationship with Inland Fair Housing and Mediation Board (a non-profit housing advocacy group) which provides legal assistance for low income housing. The City refers housing and discrimination issues to this group and to Legal Aid of San Bernardino.
2.2.2	Conduct workshops for Community Development Staff, which provide training to answer calls and assist residents concerned with fair housing issues.	All RDA and Housing staff has been trained on appropriate referral methods in which to refer housing issues. Since City has met/achieved this Action, it will not be carried forward to the next planning period.
2.2.3	Conduct occupancy inspections for Code requirements in conjunction with the Rental Inspection Program and upon request, to residential units or apartment structures when sold.	Code Compliance and Planning Staff conduct monthly surveys of rental properties. Property owners are given a list of corrections and a deadline for compliance. In 2000, the City initiated the Residential Rental Enhancement Program. The purpose of the program provides for an annual inspection of the exterior of all rental properties in the City. The program also provides an opportunity for the City staff to assist residential property

Action	1998 Program Goals and Objectives	Progress 1998-2005
		<p>owners with property improvements through redevelopment assistance. This program is codified in the City's Buildings and Construction Code section 15.52</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
2.2.4	Coordinate annual windshield surveys to identify areas with substandard housing.	<p>The RDA and Housing Staff completed the first city wide survey in January, 2006, which identified all the substandard housing property. This map has been fundamental in allocating funds to substandard neighborhood. The Code Compliance Divisions conducts surveys on a regular basis and confers with the Planning Department, Engineering Department, Police Department, Animal Control, utility providers, and other agencies for a comprehensive resolution to the problem.</p>
2.2.5	Explore means to continue housing affordability controls at the housing developments identified in the Housing Element. These steps will include: relocation assistance if necessary; mortgage assistance of existing project owner; coordination with organizations interested in purchasing/managing the development; City acquisition and resale with restrictions.	<p>There was no at risk development during this reporting period. However, the City/RDA met to discuss the item extensively. Staff was directed to identify existing multi-family affordable units and explore methods of secure affordable covenants.</p> <p>In 2007, the City contacted Multi-Family property owners. Negotiations on-going.</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
Objective 2.3 Ensure that the existing supply of low and moderate cost housing within Highland does not diminish.		
2.3.1	Regularly monitor the status of the City's low income units. Keep in regular contact with owners of these projects and the County regarding the status of low income housing units.	Both the City and the County jointly monitor the Jeffery Court Senior Development, the only covenanted rental units in the City, on a regular basis. Since City has met/achieved this Action, it will not be carried forward to the next planning period.
2.3.2	Establish contact with housing advocate groups, public and non-profit agencies to identify any entities interested in purchasing or managing low income housing projects.	See Action 1.1.3
2.3.3	Continue to work with tenants of low income housing developments. Regularly meet with tenants to resolve housing issues.	City Staff addresses issues directly or refers residents/tenants with housing issues to the appropriate agencies. Regular neighborhood watch meetings are held and conducted by the City's Communities Service Officer.
2.3.4	To avoid potential reduction in the supply of rental housing, prepare a condominium conversion ordinance, which would limit the conversion of rental apartments to condominiums or cooperatives when the multiple family vacancy rates falls below 4 percent.	A condominium conversion ordinance is in place, within the Development Code Section 16.40.060, which has been prepared pursuant to the requirements of the Subdivision Map Act and California Government Code 65915 et. seq. Since City has met/achieved this Action, it will not be carried forward to the next planning period.
2.3.5	Require all successful condominium and mobile home conversion applicants to relocate displaced residents.	Development Code Section 16.40.060.D.2.b. requires the preparation of a "Tenant Relocation Assistance Plan" indicating the number of tenants interested in purchasing or relocating and detailed plans for

Action	1998 Program Goals and Objectives	Progress 1998-2005
		assisting in the relocation of tenants.
2.3.6	Based on the provisions of Government Code Section 65863.7, require the submission of a report detailing the impacts of any proposed mobile home park conversion with the filing of any discretionary permit.	Development Code Section 16.40.060, also applies to the conversion of mobile home parks.
2.3.7	In accordance with Government Code Section 65583.1(C)(AB438), the City will substantially rehabilitate 95 units of the Pinehurst Condominium project for lower income households. Covenants of Affordability for 30 years will be applied.	<p>Staff has worked extensively with the Southern California Housing Development Corporation, the County of San Bernardino and various planning and redevelopment consultants to meet this goal. After months of negotiations, the project was found to be infeasible. The City has exhausted all options with regard to this project.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
2.3.8	In accordance with Government Code Section 65583.1(C)(AB438), the City will substantially rehabilitate 130 units owned by HUD (single family units) for lower income households. Covenants of Affordability for 20 years will be applied.	<p>These homes were rehabilitated through the Neighborhood Initiative Program and sold to qualified families. Unfortunately, the County of San Bernardino, the property agent, did not require covenants. Also, HCD did not consider the City's AB438 Application during the Housing Element Certification. These programs not needed to certify Housing Element.</p> <p>Since City has met/achieved this Action, it will not be carried forward to the next planning period.</p>
Goal 3 <i>Preservation and Conservation of Existing housing stock and maintenance of property values and resident's quality of life.</i>		

Action	1998 Program Goals and Objectives	Progress 1998-2005
Objective 3.1 Maintain the quality and integrity of existing residential neighborhoods.		
3.1.1	Adopt a neighborhood preservation program to ensure ongoing housing maintenance.	<p>The Neighborhood Enhancement Program (NEP) was initiated in December of 2002. The Neighborhood Enhancement Program's focus is to ensure a holistic, comprehensive approach to neighborhood problems. Target projects are identified by many sources including individual complaints, business owner complaints and the pro-active work of law enforcement.</p> <p>The Crime-Free Multi-Family Housing Program is part of the NEP program and allows apartment complex managers to be trained in methods to successfully manage their properties.</p> <p>Highland Police Station, Community Oriented Policing: In the year 2003, nineteen properties have been addressed that were either causing neighborhood blight or were the source of activities that were disturbing the peace. The homes on these properties were boarded up, the properties were cleaned up and the offending activity ceased.</p> <p>Historic District Residential Assistance Program: Offers a \$25,000 single-family rehabilitation assistance program to those homeowners in the City's Historic District. Owner-occupied homes would be eligible to receive one-time financial assistance, to make needed upgrades and repairs to homes in the City's Historic</p>

Action	1998 Program Goals and Objectives	Progress 1998-2005
		District.
3.1.2 (New)	Continue to participate in the "World Changers" Program which rehabilitates approximately 20 single family homes per year. Available to low and moderate income residents.	No activity
Objective 3.2 Eliminate the existence of substandard housing in Highland within 10 years by promoting the rehabilitation of an average of 10 percent of the substandard housing units within Highland each year over the next 10 years.		
3.2.1.	Continue to enforce the City's Property Maintenance Ordinance HMC Section 15.52 to set minimum standards for exterior property maintenance. The Ordinance shall apply equally in all parts of the City including residential, commercial, and industrial areas. Those property owners whose property does not meet the minimum requirements of the Ordinance are to be notified in writing by the Building Inspector or Code Compliance Officer and given a reasonable period of time to achieve compliance. In the event of non-compliance, the City will continue to follow up with at least two additional letters requesting compliance. Code violators will be provided with information regarding available rehabilitation programs to assist the property owner in completing home repairs.	Ongoing. There is an existing Ordinance HMC Section 15.52, Staff and Program in place.
3.2.2	Continue a Program to inspect rental units to ensure a high level of maintenance among the rental units in the City. Under this Program, the City will inspect rental property every year.	See Action 2.2.3
3.2.3	Work with the State Franchise Tax Board in order to enforce the provisions of California Revenue and Taxation Code Section 17299 and 24436.5, which prohibit owners of substandard housing from claiming depreciation, amortization, mortgage interest, and property tax deductions on State income tax.	No activity
Goal 4 <i>The efficient use of energy resources through the incorporation of energy conservation systems into new and existing housing.</i>		
Objective 4.1 Encourage the incorporation of energy conservation measures into new and existing housing.		
4.1.1	Establish procedures and regulations for encouraging the incorporation of energy efficiency into any new or rehabilitated residential unit by utilizing the Uniform Building Code regulations.	The Building & Safety Division does this on an ongoing basis through the plan check process. Housing Staff

Action	1998 Program Goals and Objectives	Progress 1998-2005
		provides referrals on an on-going basis to participate in the single family rehabilitation grant program regarding SCE and Gas Company efficiency/rebate programs. The City recently adopted design guidelines for energy efficiency in its new Community Design Element adopted in 2006.
4.1.2	Continue review of all residential, commercial, and industrial buildings for compliance with Title 24, State of California Energy Standards.	The Building & Safety Division does this on an ongoing basis through the plan check process.
4.1.3	Coordinate with Southern California Edison to encourage participation in the Customer Assistance Program designed to help low income, senior citizens, permanently handicapped, and non-English speaking customers control their energy use.	As part of the normal duties arranging loans for housing repair and rehabilitation, the Housing and RDA Staff hands out pamphlets provided by the Edison Company and describes the available rebates and incentives that are available to home owners including rebates, energy efficiency incentives and energy efficiency income qualifying programs.